

AUTUMN STATEMENT 2023

Let Brookson update you on what's been announced and what this means for your finances.
We've digested all of the detail so you don't need to!

Summary

The Chancellor, Jeremy Hunt, has presented his Autumn Statement 2023, together with a report by the Office of Budget Responsibilities.

This document summarises the key changes affecting contractors, freelancers & self- employed professionals as a result of the Government's Autumn Statement which was delivered on 22nd November 2023.

This summary is published by Brookson, a leading provider of specialist accountancy, tax advisory, legal and financial services to freelance contractors, interims, locums and small businesses.

CORPORATION TAX RATE - UPLIFT IN CORPORATION TAX RATES

The Chancellor previously announced that from 1st April 2023, companies with profits over £250,000 will be subject to corporation tax at a rate of 25%-and companies with profits of less than £50,000 would continue to be subject to corporation tax at 19%.

Companies with profits between £50,000 and £250,000 will pay tax at the main rate, reduced by a marginal relief-this provides a gradual increase in the effective Corporation Tax rate.

VAT MEASURES

The Chancellor previously confirmed that the VAT registration threshold will remain at £85,000 until April 2024. Similarly, the VAT de-registration threshold will remain at £83,000.

CAPITAL ALLOWANCES

The super-deduction rate of 130%, in respect of new plant and machinery, relating to the financial years ended 31st March 2022 and 2023, has now ceased and has now been replaced by the full expensing rules.

From April 2023, companies incurring qualifying expenditure on new plant and machinery on or after 1 April 2023 and before 1 April 2026 will be able to claim **100%** First Year Allowances (FYAs) for main rate expenditure ('full expensing').

The current A.I.A (annual investment allowance) threshold of **£1 million** has now been made permanent.

IR35 -THE OFF PAYROLL RULES

HMRC have today confirmed that they will be making a change to the operation of the off-payroll rules. From 6 April 2024, end clients who are found by HMRC to have made an incorrect "outside" IR35 status determination will be able to off-set the tax already paid (by the PSC and its director/shareholder) against their tax bill. This will significantly reduce the potential risk associated with end clients engaging with contractors on outside IR35 contracts and may go some way to reducing the number of end clients issuing blanket inside IR35 determinations or blanket banning the use of PSCs in their supply chain.

Brookson are ideally placed to assist you or your agency and client in understanding the off-payroll rules and undertaking status determinations to consider your IR35 status.

Where you have a mix of captured and non-captured assignments, Brookson can also support you with our Flex service.

What is Flex

Flex is a unique service built to simplify very complicated legislation and help you manage the complexities of switching between Limited and Umbrella contracts. Flex allows you to switch how you work and get paid, enabling you to control your tax situation and optimise your longer-term financial planning.

[Learn more about Flex](#)

INCOME TAX

The Chancellor had previously announced there would be no further increases to the personal allowance until 5th April 2026.

- The personal allowance will remain at £12,570
- The basic rate tax band will remain at £37,700
- The higher rate threshold remains at £50,270
- From 6th April 2023, the higher rate threshold was reduced to £125,140
- As in previous years, for every £2 over £100,000 that you earn, your tax-free personal allowance will be reduced by £1. Once you reach £125,140, you do not receive a personal allowance on taxable income over this amount.

DIVIDEND TAX

From 6th April 2023, the tax-free dividend allowance was set at £1000.

Dividend tax rates from 2023, continue to be applied as follows:

- Basic rate 8.75%
- Higher rate 33.75%
- Additional rate 39.35%

NATIONAL INSURANCE

From 6th January 2024, Employees' Class 1 National Insurance will be reduced to 10% (currently 12%), with Employers Class 1 National Insurance remaining at 13.8%.

The primary threshold (the level above which Employees pay National Insurance) will remain at £12,570 and is aligned with the personal allowance threshold.

THE NATIONAL LIVING WAGE

The National Living Wage for individuals will increase from 1st April 2024 from £10.42 to £11.44. From 1st April 2024, workers over the age of 21 and over will be entitled to the National Minimum Wage of £11.44.

PENSIONS

Changes from January 2024.

The decrease in Employees' National Insurance costs from 6th January 2024 is particularly welcome for umbrella workers. Utilising salary sacrifice options continues to remain attractive for umbrella workers as the deductions are made prior to Employer National Insurance, Employee National Insurance and Tax deductions.

MORTGAGES

Changes from 6th April 2023.

On 3rd August 2023, the Bank of England increased the bank base rate from 5.00% to 5.25% - highlighting the importance of reviewing your mortgage needs, even if your mortgage isn't up for review right now.

Stamp duty continues to be an important factor when acquiring your home, with the current threshold being £250,000 before paying 5% on increments above this amount up to £925,000, with higher rates applicable on amount above £925,000.

First-time buyers currently pay no stamp duty up to £425,000, when buying a residential property worth £625,000 or less.

The BBR increases together with the increase in stamp duty thresholds raised last year, make it is a prime time to secure mortgage deals and Brookson Financial are perfectly positioned to help you.

BROOKSON FINANCIAL

With more than 20 years' experience offering expert advice and support to our clients, Brookson Financial offers a full range of financial services for contractors, including Mortgages, Pensions and protection. Our team of advisors pride themselves on understanding the unique opportunities and challenges that self-employment brings.

Our financial services for self-employed people are tailored to meet our clients' specific needs. We can help put solutions in place giving you peace of mind that your future is financially secure. To achieve this, we start by providing you with a free Financial Health Check that will give us a clear understanding of your short, medium and long-term goals.

Take action now and speak to Brookson Financial's specialist advisers.

[Book a Call](#)

Brookson Financial (179752) is authorised and regulated by the Financial Conduct Authority. A mortgage is a loan secured against your home. Your home may be repossessed if you do not keep up repayments on your mortgage. The value of investments, and the income or capital entitlement which may derive from them, if any, may go down as well as up and is not guaranteed; therefore investors may not get back the amount originally invested.

Helping you get the most from the career you love

We are the only firm offering specialist contractor accountancy, payroll, legal and financial services all under one roof. We provide a seamless way for you to manage your business and personal life, maximising your tax efficiencies and helping you get the most from the career you love.



Accountancy

Enjoy the control and visibility of real time updates on your tax status and financial position, powered by world leading technology and your dedicated accountant.



Payroll

Quick, hassle-free, same-day setup to our umbrella employment solution. Have peace of mind that you will be paid on time every week with SMS notifications and access to our online portal Connect.



Flex

Easily switch between Limited and Umbrella working as and when needed (at no extra cost) while staying as tax efficient as possible with our unique service.



Mortgages

Finding a mortgage as a contractor can be difficult. We work with some of the UK's biggest and best lenders and have negotiated specialist rates to ensure that whatever you're looking for we can give you the best value for money.



Pensions

We want to help you take back control of your pension and give you as much flexibility as we can so you can be as tax efficient as possible. Our two solutions are unique to Brookson and are unlikely to be matched anywhere else in the flexible working space.



Protection

As a contractor, you are more vulnerable to financial loss if you suffer an illness or injury. We can support you in three main areas: Critical Illness, Income Protection and Life Assurance.

Exclusive Discounts When You Join Brookson

Join Limited

Join Umbrella

Limited

Everything you need in one place.

With access to specialist accountancy, payroll, legal and financial services all under one roof, we offer the most comprehensive contractor service on the market. By combining all of these services into one place, you are getting unrivalled levels of proactive advice from our experts. Through a unique blend of technology and specially trained experts, we provide a seamless way for you to maximise your tax efficiencies and access all of your financial information in one place.

Umbrella

Maximise your Umbrella Employment.

If you are contracting via an Umbrella solution, we would love bring you on board. Find out more about our new Umbrella Protect service, allowing you to unlock an additional range of Financial, Physical and Psychological benefits and discounts that no other Umbrella provider can offer. Unlimited financial well-being reviews, a BUPA cash plan, access to private medical care via AXA, plus more benefits and 1,000 of other discounts. Maximise your Umbrella Employment today!